



County of Los Angeles  
**CHIEF ADMINISTRATIVE OFFICE**

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012  
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DAVID E. JANSSEN  
Chief Administrative Officer

June 14, 2005

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**FIVE-YEAR RE-LEASE FOR ASIAN SERVICE CENTER  
DEPARTMENT OF COMMUNITY AND SENIOR SERVICES  
DEPARTMENT OF MENTAL HEALTH  
14112 SOUTH KINGSLEY DRIVE, GARDENA  
(SECOND DISTRICT) (3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve and instruct the Chair to sign a five-year re-lease with Z-7 Properties, Ltd (Lessor) for 16,180 square feet of office space at 14112 South Kingsley, Gardena, for the Asian Service Center at an initial annual cost of \$196,102, with annual rental adjustments based on Consumer Price Index (CPI) no greater than 3 percent per year. The Department of Community and Senior Services (DCSS) occupies 8,570 square feet at an initial annual cost of \$103,869, net county cost, and the Department of Mental Health (DMH) occupies 7,610 square feet at an initial annual cost of \$92,233 which is fully funded by State and Federal sources.
2. Find that this lease is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987 and Section 1601 (b) (3) of the State CEQA Guidelines.

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The Asian Service Center has been located at the 16,180 square foot Kingsley facility since 1988. The Asian Community Service Center is a multicultural, multipurpose service center which provides bilingual direct social and mental health services for the Asian and Pacific Islander population countywide, with special focus on south bay area seniors and low income families.

During an average month, twenty-nine (29) DMH staff, four (4) DCSS staff, and twenty-four (24) non-county staff serve the needs of approximately 2,900 clients, who range in age from children visiting the Indochinese Youth Community Center to senior and disabled citizens who receive food from the food pantry. Approval of this re-lease agreement will allow DCSS and DMH staff to continue to provide bilingual and bicultural mental health and social services for non-English speaking residents.

While this building exceeds the County space standard, the cost to build out new tenant improvements in a smaller facility, together with data, communications, furniture and moving costs, plus potentially higher lease rates, favors retention and renewal of the existing lease as the more financially viable option available to the County.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The Countywide Strategic Plan directs that we implement a client-centered, information-based social and mental health services delivery system that provides cost-effective services across County departments (Goal 7). In this case we are providing user-friendly services, that are both beneficial and responsive, to the Asian Community Service Center's targeted clientele in an accessible location.

### **FISCAL IMPACT/FINANCING**

The annual cost of this lease renewal will be \$196,102, or a monthly rent of \$16,342 (\$1.01 per square foot).

<b>14112 South Kingsley Drive, Gardena</b>	<b>Current Lease</b>	<b>Renewal</b>	<b>Change</b>
Area (Square feet)	16,180	16,180	None
Annual Rent	\$149,469 or \$9.24/sq. ft.	\$196,102 or \$12.12/sq. ft.	+\$46,633 +\$2.88/sq. ft.
Term	12/01/98 to 11/30/03 Mo-to-Mo Holdover	Five years	+ Five years
Parking (included in rent)	30 off-street spaces	30 off-street spaces	None
Cancellation	None	County may cancel at or anytime after the 36 <sup>th</sup> month with 180 days notice	Cancellation after third year
Option to Renew	None	One five-year option at 95% of fair rental value	+ Five-year option
Rental Adjustment	Annual CPI, 4% cap	Annual CPI, 3% cap	- 1% cap

Sufficient funding for the proposed lease is included in the 2004-05 Rent Expense Budget and will be billed back to DCSS and DMH. Sufficient funding is available in the CSSD and DMH operating budget to cover projected lease costs. Sufficient funding has been proposed in the Rent Expense Budget for the 2005-06 fiscal year.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The proposed lease renewal provides 16,180 square feet of office space and 30 on-site parking spaces. DCSS occupies 8,570 square feet and DMH occupies 7,610 square feet. While the amount of on-site parking spaces is less than required by the departments, there is street parking adjacent to the building.

The lease contains the following provisions:

- This is a split-service lease. Lessor will repair, maintain and replace as necessary the basic structure which includes the permanent exterior and interior walls, floors and ceilings, roof, concealed plumbing, concealed electrical systems, maintenance of the heating ventilating and air conditioning system. Lessor is also responsible for insurance, and furnishing janitorial services and supplies.
- Lessee pays for all utilities, reimburses Lessor for all taxes and maintains fire extinguishers, lamps and tubes, exposed plumbing, low voltage phone and data systems, floor coverings, interior painting, windows and window coverings.

- The Option to Renew paragraph in the lease provides the County an option to renew for five years at 95 percent of the fair rental rate upon 60 days prior written notice.
- The monthly rent is subject to an annual CPI adjustment not to exceed three percent.

CAO Real Estate staff surveyed the South Bay area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed areas that could accommodate this requirement more economically. Staff has established that the rental range for similar space is between \$12.00 and \$27.00 per square foot per year modified gross. Thus, the annual rental rate of \$12.12 modified gross for the proposed lease represents the lower range of market for the area. Attachment B shows all County-owned or leased facilities available for this program.

The proposed lease was submitted for administrative review to your Board's appointed Real Estate Management Commission on April 20, 2001. After careful review, it was the Commission's decision to approve the proposed lease.

The Department of Public Works has reviewed accessibility and the seismic retrofit of the subject facility completed in February 2005 and determined the building is acceptable for County occupancy.

#### **NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT**

The project is categorically exempt from CEQA pursuant to Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15601 (b) (3) of the State CEQA Guidelines.

#### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**


It is the finding of the CAO that the proposed renewal is in the best interest of the County and will continue to provide the necessary space for this County requirement. In accordance with your Board's policy on the housing of any County offices or activities, DCSS and DMH concur with this recommendation.

The Honorable Board of Supervisors  
June 14, 2005  
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**CONCLUSION**

It is requested that the Executive Officer, Board of Supervisors, return two originals of the executed lease and agreement and the adopted, stamped Board letter, and two certified copies of the Minute Order to the CAO, Real Estate Division at 222 South Hill Street, Fourth Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,



DAVID E. JANSSEN  
Chief Administrative Officer

DEJ:CWW  
CEM:JWP:hd

Attachments (3)

c: County Counsel  
Department of Community and Senior Services  
Department of Mental Health

## ATTACHMENT A

DEPARTMENT OF COMMUNITY AND SENIOR SERVICES AND  
DEPARTMENT OF MENTAL HEALTH  
14112 South Kingsley Drive, Gardena  
Asset Management Principles Compliance Form<sup>1</sup>

1.	<b>Occupancy</b>		Yes	No	N/A
A	Does lease consolidate administrative functions? <sup>2</sup>				X
B	Does lease co-locate with other functions to better serve clients? <sup>2</sup>		X		
C	Does this lease centralize business support functions? <sup>2</sup>				X
D	Does this lease meet the guideline of 200 sq. ft of space per person? <sup>2</sup> <b>The space is used for clinic office and ancillary therapy space. Current location exceeds guideline; however, relocation to a smaller facility would be more costly than remaining at the existing location.</b>			X	
E	Does lease satisfy 80% parking rule? <sup>2</sup> <b>There is available street parking.</b>			X	
2.	<b>Capital</b>				
A	Should this program be in leased space to maximize State/Federal funding?		X		
B	If not, is this a long term County program?		X		
C	Is it a substantial net County cost (NCC) program? <b>CSS is NCC, DMH is fully funded by State and Federal sources.</b>		X		
D	If yes to 2 B or C; is it a capital lease or an operating lease with an option to purchase?			X	
E	If no, are there any suitable County-owned facilities available?			X	
F	If yes, why is lease being recommended over occupancy in County-owned space?				X
G	Is Building Description Report attached as Attachment B?		X		
H	Was build-to-suit or capital project considered? <b>Because of small amount of space needed, this requirement doesn't meet requirements for build-to-suit.</b>			X	
3.	<b>Portfolio Management</b>				
A	Did department utilize CAO Space Request Evaluation (SRE)?		X		
B	Was the space need justified?		X		
C	If a renewal lease, was co-location with other County departments considered?		X		
D	Why was this program not co-located?				
	1. ___ The program clientele requires a "stand alone" facility.				
	2. ___ No suitable County occupied properties in project area.				
	3. ___ No County-owned facilities available for the project.				
	4. ___ Could not get City clearance or approval.				
	5. <u>X</u> The Program is being co-located.				
E	Is lease a full service lease? <sup>2</sup> <b>We occupy entire building and Lessor insists that Lessee pays utilities, taxes and interior non-structural maintenance.</b>			X	
F	Has growth projection been considered in space request?		X		
G	Has the Dept. of Public Works completed seismic review/approval?		X		
	<sup>1</sup> As approved by the Board of Supervisors 11/17/98				

<sup>2</sup>If not, why not?

## ATTACHMENT "B"

BOUNDARIES FOR SEARCH  
5 MILE RADIUS OF 14112 SOUTH KINGSLEY DRIVE, GARDENA

FACILITY NAME	ADDRESS	SQ. FT. GROSS	SQ. FT. NET		SQ. FT. AVAIL.
LOS ANGELES AIRPORT COURTHOUSE	11701 S LA CIENEGA BLVD , LOS ANGELES 90048	292,000	151,981	FINANCED	NONE
PUBLIC LIBRARY-LENNOX LIBRARY	4359 LENNOX BLVD, LENNOX 90304	4,657	3,679	OWNED	NONE
DCFS-REGION VI HAWTHORNE SERVICES OFFICE	11539 S HAWTHORNE BLVD, HAWTHORNE 90250	31,832	27,057	LEASED	NONE
PUBLIC LIBRARY-WOODCREST LIBRARY	1340 W 106TH ST, LOS ANGELES 90044	7,254	5,895	OWNED	NONE
DPSS-SOUTHWEST SPEC DIST/ PROBATION-CENTINEL	1326 W IMPERIAL HWY, LOS ANGELES 90044	153,986	127,700	OWNED	NONE
DHS-SOUTH PUBLIC HEALTH CENTER	1522 E 102ND ST, LOS ANGELES 90002	19,060	11,704	OWNED	NONE
DPSS-SOUTH CENTRAL AP DISTRICT OFFICE	10728 S CENTRAL AVE, LOS ANGELES 90002	51,991	32,463	OWNED	NONE
PUBLIC LIBRARY-WILLOWBROOK LIBRARY	11838 S WILMINGTON AVE, LOS ANGELES 90059	2,200	2,039	LEASED	NONE
CHILD SUPPORT SERVICES-DIVISION IV HDQUARTERS	621 HAWAII ST, EL SEGUNDO 90245-4825	47,576	32,444	LEASED	NONE
DPSS-WFP&I & SOUTH REG IV IHSS/ADULT SERVICES	12000 HAWTHORNE BLVD, HAWTHORNE 90250	132,996	106,397	LEASED	NONE
PUBLIC LIBRARY-HAWTHORNE LIBRARY	12700 S GREVILLEA AVE, HAWTHORNE 90250	16,949	16,174	OWNED	NONE
PUBLIC LIBRARY-MASAO W SATOW LIBRARY	14433 S CRENSHAW BLVD, GARDENA 90249	6,639	5,884	OWNED	NONE
DCSS-ASIAN SERVICE CENTER	14112 S KINGSLEY DR, GARDENA 90249	16,180	11,420	LEASED	NONE
PUBLIC LIBRARY-GARDENA MAYME DEAR LIBRARY	1731 W GARDENA BLVD, GARDENA 90247	14,122	11,534	OWNED	NONE
PUBLIC LIBRARY-A C BILBREW LIBRARY	150 E EL SEGUNDO BLVD, LOS ANGELES 90061	21,843	18,287	OWNED	NONE
SOUTH SERVICES AGENCY-ADMINISTRATION BUILDING	360 W EL SEGUNDO BLVD, LOS ANGELES 90061	2,584	1,901	OWNED	NONE
DCSS-WILLOWBROOK ONE-STOP CAREER CENTER	12700 AVALON BLVD , LOS ANGELES 90061	24,706	23,471	LEASED	NONE
DCSS-WILLOWBROOK SENIOR CENTER	12915 S JARVIS AVE, LOS ANGELES 90061	12,858	8,670	OWNED	NONE
PUBLIC LIBRARY-HERMOSA BEACH LIBRARY	550 PIER AVE, HERMOSA BEACH 90254	6,496	5,084	OWNED	NONE
TORRANCE COURTHOUSE	825 MAPLE AVE, TORRANCE 90503-5058	155,368	75,242	FINANCED	NONE
TORRANCE COURTHOUSE-ANNEX	3221 TORRANCE BLVD, TORRANCE 90503	16,996	9,560	OWNED	NONE
DCFS-REGION II HEADQUARTERS/ TORRANCE OFFICE	2325 CRENSHAW BLVD TORRANCE 90501	60,804	57,764	LEASED	NONE
HARBOR-REI ADMINISTRATION BUILDING N-14	1124 W CARSON ST, TORRANCE 90502	11,802	8,829	OWNED	NONE
CSSD-DIVISION V HDQTERS/ TORRANCE HEALTH CTR	20221 S HAMILTON ST, TORRANCE 90502-1321	66,825	54,835	LEASED	NONE
HARBOR-AF PARLOW HEALTH LIBRARY	1000 W CARSON ST, TORRANCE 90502	22,846	20,003	OWNED	NONE
HARBOR-MEDICAL RECORDS OFFICE F-8	1000 W CARSON ST, TORRANCE 90502	4,040	2,836	OWNED	NONE
PUBLIC LIBRARY-CARSON REGIONAL LIBRARY	151 E CARSON ST, CARSON 90745	33,112	27,001	OWNED	NONE

DEPARTMENTS: MENTAL HEALTH  
COMMUNITY & SENIOR SERVICES  
LESSOR: Z-7 PROPERTIES, LTD

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COUNTY OF LOS ANGELES  
CHIEF ADMINISTRATIVE OFFICE  
LEASE AND AGREEMENT

This Lease and Agreement made and entered into in duplicate original this \_\_\_\_\_ day of \_\_\_\_\_, 2005, by and between Z-7 PROPERTIES, LTD. a California limited partnership, hereinafter referred to as the Lessor, and the COUNTY OF LOS ANGELES, a body politic and corporate, hereinafter referred to as the Lessee,

**WITNESSETH:**

**1. DESCRIPTION OF PREMISES:**

The Lessor, for and in consideration of the performance of the covenants and agreements hereinafter contained to be kept and performed by the Lessee, upon the following terms and conditions, hereby leases to the Lessee, and the Lessee hereby hires and takes of and from the Lessor, those certain premises located at 14112 South Kingsley Drive, Gardena, in the County of Los Angeles, State of California, more particularly described on Exhibit A attached hereto and incorporated herein.

The Premises shall consist of approximately 16,180 rentable square feet and thirty (30) parking spaces as described in Paragraph 20 herein. Lessor represents that 16,180 rentable square feet is the maximum amount of square footage available, and that at no time, except by specific amendment to this Lease, will the amount of square footage as contained herein exceed the amount stated above.

**2. TERM:**

A. Original Term :

The term of this Lease shall be for a period of five (5) years beginning upon approval by the Board of Supervisors and shall expire five (5) years thereafter. Lessor and Lessee shall promptly execute the "Memorandum of Commencement Date" attached hereto as Exhibit "D" following commencement of the Lease term.

B. Options to Renew:

Lessee shall have the option to renew this Lease for a period of five (5) years under the same terms and conditions and rental rate shall be adjusted by negotiations not to exceed ninety five percent (95%) of the Fair Rental Value which Lessor could derive from the demised premises if they were made available on the open market. Lessee, by Chief Administrative Office letter, shall notify Lessor in writing not less than sixty (60) days prior to expiration of the lease term of Lessee's intention to exercise its option. The actual exercise of the option shall be only by the Chief Administrative Officer of the County of Los Angeles.

**3. RENT:**

The Lessee hereby agrees to pay as rent for said demised Premises during the term the sum of Sixteen Thousand Three Hundred Forty One Dollars and Eighty Cents (\$16,341.80) per month (\$1.01 per square foot), payable in advance by Auditor's General Warrant. Rental payments shall be payable within fifteen days after the first day of each and every month of the term hereof provided Lessor has caused a claim therefor for each such month to be filed with the Auditor of the County of Los Angeles prior to the first day of each month.

**4. USE:**

Lessor agrees that the demised Premises together with all appurtenances thereto belonging or in any wise appertaining, shall be used by the Lessee as office and community services space for the Departments of Mental Health and Community and Senior Services and for other governmental purposes or lawful purposes during normal working hours, after normal working hours, and on weekends and holidays as Lessee may desire.

*mw*

5. **CANCELLATION:**

Lessee shall have the right to cancel this Lease at or any time after the thirty-sixth (36<sup>th</sup>) month by giving the Lessor not less than one hundred eighty (180) days prior written notice.

6. **HOLDOVER:**

In case Lessee holds over beyond the end of the term provided with the consent express or implied of Lessor, such tenancy shall be for two (2) month periods only, subject to the terms and conditions of this Lease, but shall not be a renewal hereof, and the rent shall be at the rate prevailing under the terms of this Lease. Either party may during the holdover cancel this Lease by giving the other party not less than thirty (30) days prior written notice.

7. **DAMAGE OR DESTRUCTION:**

Lessor agrees that should the demised Premises be damaged by fire, incidents of war, earthquake, or other elements as to render them reasonably unfit for Lessee's occupancy, as determined by Lessee and Lessor mutual consent, then this Lease shall be terminated immediately upon the happening of any such event whereupon Lessee shall surrender the Premises and shall not be obligated for any further rental and Lessor shall refund any unearned rent paid in advance by Lessee calculated at a daily rate based on the regular monthly rental.

In the event of any lesser damage by any such cause that results in damage to ten percent (10%) or less of net usable area of the Premises, then Lessor shall commence obtaining bids for the repair and restoration of the Premises within fifteen (15) days of the event which necessitated the repair and restoration. In the event of any such cause which results in damage to more than ten percent (10%) of the net usable area of the Premises, then Lessee shall have the right at its sole reasonable discretion to either surrender the Premises and not be obligated for any further rental under this Lease and Agreement, or to cause Lessor to commence the repair and restoration of the Premises within fifteen (15) days of the event that necessitated the repair and restoration.

Commencement of the repair and restoration under either of the aforementioned conditions shall require (1) securing the area to prevent injury to persons and/or vandalism to the improvements, and (2) the placement of a work order or contract for obtaining the Labor and Materials to accomplish the repair and restoration. If Lessor should fail to thereafter pursue said repair and restoration work with reasonable diligence to completion, Lessee may give Lessor fifteen (15) working days prior written notice and thereafter perform or cause to be performed the restoration work and deduct the cost thereof from the installments of rent next due as a charge against the Lessor.

Lessee shall be entitled to a proportionate reduction of rent while such repairs are being made effective on the date of such destruction. The proportionate reduction is to be based upon the proportion that the amount of rentable square feet within the leased Premises rendered unusable to Lessee bears to the whole rentable thereof. Lessee shall not be entitled to an abatement of rent pursuant to this provision when the damage to the Premises is the result of negligence or intentional acts of Lessee's employees.

8. **TENANT'S FIXTURES:**

Lessor agrees that the Lessee may remove, at its own expense, during or at the expiration or other termination of the term of this Lease, or any extension or holdover period thereof, as the case may be, all fixtures, equipment and all other personal property placed or installed in or upon the demised Premises by the Lessee, or under its authority.

9. **REPAIR, MAINTENANCE AND REPLACEMENT:**

A. Lessor agrees to repair, maintain and replace as necessary at Lessor's own expense the Premises except damage caused by Lessee, Lessee's agents, or invitees. Lessor's responsibility shall include, but not be limited to the sewer system, the grounds, parking spaces whether surface or structured parking (including resurfacing, restriping, landscaping, sweeping and provision of adequate lighting, as applicable), and the basic structure. Basic structure is agreed to include: all permanent exterior and interior walls (excluding glass doors), floors and ceilings, roof, concealed plumbing, concealed electrical systems, and maintenance of the heating, and ventilating and air conditioning system including replacement of system

10/13

components as required. As part of Lessor's responsibilities for maintaining the Premises, Lessor shall furnish janitorial services and supplies, including restroom supplies, as described in Exhibit B.

Lessee agrees to keep in good repair and maintain at its own expense fire extinguishers, lamps and tubes, exposed plumbing, low voltage phone and data systems, floor coverings, interior painting, windows and window coverings and other repairs of a non-structural nature.

**B. Failure to Repair**

In the event Lessor should fail, neglect or refuse to reasonable commence the repair, replacement or maintenance work required by Section Paragraph 9A herein within five (5) days after written notice has been served by Lessee, or fail, neglect or refuse to pursue said replacement or maintenance work with reasonable diligence to completion, the Lessee at its reasonable discretion may perform or cause to be performed said repair, replacement or maintenance work and deduct the reasonable cost thereof from the installments of rent next due as a charge to the Lessor, or the Lessee at its sole discretion may surrender the Premises and shall not be liable for any further rental under this Lease and Agreement.

**C. Return of Premises**

Lessee agrees to return said Premises to Lessor in as good condition as when rented, ordinary wear and tear, damage by earthquake, fire or the elements and other disaster or casualty excepted.

**D. Replacement**

In the event that items specified in Paragraph 9A wear out or fail or are damaged by earthquake, fire or the elements, and/or other public disaster or casualty, the Lessor shall replace said items at its own expense, subject to the provisions of Paragraph 7.

**10. UTILITIES:**

Lessee agrees to pay when due all charges for the use of the sewer, effluent treatment, when and if imposed by any Governmental authority, all water, sprinkler standby charges, and all electricity and gas utility fees and other utility rents and charges accruing or payable in connection with the demised Premises during the term of this Lease or any renewal, extension, or holdover thereof, whether the same are pro-rated or measured by separate meters.

**11. LESSOR'S ACCESS:**

Lessee agrees to permit the Lessor or Lessor's authorized agents free access to the demised Premises at all reasonable times for the purpose of inspection or for making necessary improvements or repairs.

**12. DEFAULT:**

**Default by Lessee**

Lessee agrees that if default shall be made in the payment of rent in the manner herein provided or in any of the covenants or agreements herein contained on the part of the Lessee to be kept and performed which constitute a material breach of the Lease, it shall be lawful for the Lessor to declare said term ended and to terminate this Lease upon the giving of thirty (30) days written notice. In addition thereto, Lessor shall have such other rights or remedies as may be provided by law. Lessor may not terminate the Lease if (1) Lessee cures the default within the thirty (30) day period after the notice is given, or (2) the default cannot reasonably be cured within the thirty (30) days after notice is given, but Lessee reasonably commences to cure the default within the thirty (30) days period and diligently and in good faith continues to cure the default.

**Default by Lessor:**

Lessor shall not be in default in the performance of any obligation required to be performed under this Lease unless Lessor has failed to perform such obligation within thirty (30) days after the receipt of written notice of default from Lessee specifying in detail Lessor's failure to perform or within such shorter period of time as may be specified herein. Lessee may terminate this Lease upon Lessor's default of any material obligation upon giving of thirty (30) days written notice of termination. In addition thereto, Lessee shall have such other

*all*

rights or remedies as may be provided by law. Lessee may not terminate the Lease if (1) Lessor performs and meets the obligation within the thirty (30) day period (or shorter specified period) after notice of default is given, or (2) the obligation cannot reasonably be performed within thirty (30) days after notice of default is given, but Lessor reasonably commences to cure the default within the thirty (30) day period (or shorter period specified herein) and diligently and in good faith continues to cure the default.

Lessee shall not exercise any of its rights under this Paragraph, other than its rights to give notice, until Lessee gives notice to any person who has requested in writing notice of Lessor's default, and has specified that person's interest in the Lease. The notice to such person shall be for the same period of time as that to which Lessor is entitled. Such person shall have the right to cure the default within the same period of time, after notice, to which Lessor would be entitled.

If Lessor or such person does not cure the default, Lessee may exercise any of its rights or remedies provided for or permitted in this Lease or pursuant to law, including the right to recover any damages proximately caused by the default.

If Lessee is permitted to cure the default under the terms of this Lease, and elects to do so, then Lessee shall be entitled to reimbursement for all of its costs incurred, as well as to recovery for all damages proximately caused to it because of the default.

**A. Request for Notice of Default**

Lessor shall obtain prior to the Lessee's occupancy of the Premises, a Request for Notice of Default, in a recordable form, executed and acknowledged by Lessor, requesting that the County be notified of any Notice of Default filed by any of Lessor's lenders, to the address of County as specified in Section 15 of this lease.

**B. Receipt of Notice**

Notwithstanding anything in Paragraph 15 herein to the contrary, receipt of notice under this Paragraph shall be conclusively presumed to have occurred on the earliest of:

1. The date of personal delivery to Lessor or to Lessor's agent or employee at Lessor's place of business, or to a resident over eighteen (18) years of age at Lessor's residence.
1. The date of delivery shown upon the United States Postal Service's return receipt for certified or registered mail.
2. Ten (10) days after deposit of notice to the address stipulated in Paragraph 15, sent by first class mail with the United States Postal Service, provided prior or concurrent notice has been attempted pursuant to Paragraph 15, but delivery has been refused or the notice otherwise returned without delivery.

**13. ASSIGNMENT SUBLETTING:**

Lessee shall have the right to assign this lease or sub-lease the Premises subject to Lessor's consent, which shall not be unreasonably withheld, so long as the intended use is consistent and compatible with the other tenancies within the building and/or surrounding buildings and upon the condition that the assignee or sub-lessee expressly assumes and agrees in writing to pay the rent and to perform each and every covenant and agreement in this lease required by Lessee to be paid or to be performed. Lessee agrees to notify Lessor of any change in tenancy.

**14. ALTERATIONS:**

Lessor and Lessee agree not to make any structural alterations in or on the demised Premises without first securing the prior written consent of the other party and further agree to make such alterations only at such time that it is agreeable to said other party. Consent shall be given or denied within thirty (30) days of receipt of written request. Consent shall not be unreasonably withheld. Should there be no response within thirty (30) days the request is deemed approved. "Structural" alterations shall be any modification to the improvements which results in a change in the structural integrity of the improvements or alters the gross cubic area of the improvements. Notwithstanding any other provision, the Lessee may make non-structural alterations without Lessor's prior written consent.

Any alterations installed by Lessee which are "trade fixtures as such are defined by the law of eminent domain shall be treated as tenant's fixtures in accordance with the provisions of this Lease and Agreement

**15. NOTICES:**

Notices desired or required to be given by this Lease or by any law now or hereinafter in effect shall be given by enclosing the same in a sealed envelope with postage prepaid, certified or registered mail, return receipt requested, with the United States Postal Service.

Any such notice and the envelope containing the same shall be addressed to the Lessor as follows:

Z-7 Properties, LTD  
c/o Helen Ziman  
10380 Wilshire Blvd., #704  
Los Angeles, CA 90024-4745

With a copy to:

Allan Ziman  
132 8<sup>th</sup> Street  
National City, CA 91950

or such other place as may hereinafter be designated in writing by the Lessor except that Lessor shall at all times maintain a mailing address in California.

The notices and envelopes containing the same shall be addressed to the Lessee as follows:

Board of Supervisors  
Kenneth Hahn Hall of Administration, Room 383  
500 West Temple Street  
Los Angeles, CA 90012

with a copy to:

Chief Administrative Office, Real Estate Division  
222 South Hill Street, 3<sup>rd</sup> Floor  
Los Angeles, CA 90012  
Attention: Director of Real Estate

**16. CONDEMNATION:**

If the Premises or any portion thereof are taken under the power of eminent domain, or sold under the threat of the exercise of said power (all of which are herein called "condemnation") any award for the taking of all or any part of the Premises shall be the property of the Lessor, to the extent it is compensation for the taking of the fee or as severance damages. Lessee shall be entitled to that portion of the award, if any, attributable to Lessee's trade fixtures and improvements and for the bonus value of Lessee's leasehold. "Trade fixtures" are agreed to include any tenant improvements installed at the Lessee's request to the extent that Lessee has reimbursed Lessor for such tenant improvements in a lump sum or through amortization included in the rent payments. This Lease shall remain in full force and effect as to the portion of the Premises remaining except that the rent shall be reduced in the proportion that the area taken bears to the total leased Premises.

In the event of a partial taking of the structure, Lessor shall use the proceeds of the condemnation received by Lessor to restore the Premises to a complete architectural unit of a quality, appearance and functional utility at least consistent with the structure as it existed prior to the taking. Rent shall abate for such time and for such area as reconstruction is required and areas are not secure, weather-tight, and usable as office space. Failure of Lessor to commence such restoration within thirty (30) days of the actual physical taking of a portion of the structure shall be grounds for Lessee to cancel this Lease by giving Lessor fifteen (15) days advance written notice of such cancellation, or Lessee, in its discretion, may elect to undertake directly the restoration and deduct the costs thereof from the installments of rent next payable to the Lessor. Commencement under the aforementioned condition shall require (1) securing the area to prevent injury to persons and/or vandalism to the

*(Handwritten signature)*

improvements, and (2) the placement of a work order or contract for obtaining the Labor and Materials to accomplish the restoration.

Within fifteen (15) days of receipt of the offer to acquire the property pursuant to Section 7267.2 of the Government Code or, within fifteen (15) days of the date landlord receives notice of the RESOLUTION of NECESSITY to condemn property, whichever is earlier, Lessor shall notify Lessee in writing (1) of condemnation proceeding and (2) physical extent of the Premises that will be affected by the proposed taking.

If more than ten percent (10%) of the floor area of the improvements on the Premises, or more than twenty-five percent (25%) of the land area of the Premises, which is not occupied by any improvements, is taken by condemnation, Lessee may cancel this Lease. The parties agree that Lessor and Lessee shall each receive independently their relocation assistance.

In the event of a partial taking of the parking area, Lessor shall use his best effort to provide Lessee with thirty (30) off-street in-and-out parking spaces located on site. Lessee may at its sole discretion negotiate with Lessor for an equitable reduction in the monthly rent based upon the Fair Market Value of such parking or the loss of such parking if not replaced.

Notwithstanding the above, failure of the Lessor to provide a minimum of thirty (30) spaces at all times shall entitle Lessee to cancel this Lease by giving Lessor fifteen (15) days' advance written notice of such cancellation.

**17. INDEMNIFICATION AND INSURANCE REQUIREMENTS:**

During the term of this Lease, the following indemnification and insurance requirements shall be in effect.

**A. Indemnification**

Lessor shall indemnify, defend and hold harmless Lessee, from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with Lessor's ownership, repair, maintenance and other acts and/or omissions arising from and/or relating to the Premises.

Lessee shall indemnify, defend and hold harmless Lessor, from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with Lessee's use of the Premises.

**B. Waiver:**

Both the Lessee and Lessor each agree to release the other and waive their rights of recovery against the other for damage to their respective property arising from perils insured in the Causes-of-Loss Special Form (ISO form CP 10 30).

**C. General Insurance - Lessor Requirements**

Without limiting Lessor's indemnification of Lessee and during the term of this Lease, Lessor shall provide and maintain the programs of insurance set forth in Paragraph 17. D., Insurance Coverage Types and Limits - Lessor Requirements. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by Lessee, and such coverage shall be provided and maintained at Lessor's own expense.

**1. Evidence of Insurance.**

Certificate(s) or other evidence of coverage satisfactory to Lessee shall be delivered to the Chief Administrative Office, Real Estate Division, 222 S. Hill Street, 4<sup>th</sup> floor, Los Angeles, CA 90012 Attn: Director of Real Estate upon execution of this Lease. Such certificates or other evidence shall: Specifically identify this Lease. Clearly evidence all coverages required in this Lease.

- a. Contain the express condition that Lessee is to be given written notice by mail at least thirty (30) days in advance of cancellation for all policies evidenced on the certificate of insurance.

- b. Include copies of the additional insured endorsement (ISO form CG 20 26) to the commercial general liability policy, adding the Lessee as an additional insured.
- c. Identify any deductibles or self-insured retentions exceeding \$25,000.

D. Failure to Maintain Coverage

Review of Insurance Requirements

The types of insurance and limits required under this Lease shall be reviewed annually by the Lessor or its representative. Coverage types and limits shall reflect the prevailing practice in the Los Angeles metropolitan area for insuring similar property and casualty risks, and be subject to Lessee's approval. Insurance is to be provided by an insurance company acceptable to Lessee with an A.M. Best rating of not less than A:VII, unless otherwise approved by Lessee.

Failure by Lessor to maintain the required insurance, or to provide evidence of insurance coverage acceptable to Lessee shall constitute a material breach of the Lease pursuant to Paragraph 12. B., Default by Lessor. Alternatively, at its sole option, Lessee may purchase such required insurance coverage, and without further notice to Lessor, deduct any premium costs advanced by Lessee for such insurance from any rental payments next due to Lessor.

1. Insurance Coverage Types and Limits - Lessor Requirements:

General Liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

General Aggregate:	\$ 2 million
Products/Complete Operations Aggregate:	\$ 2 million
Personal and Advertising Injury:	\$ 1 million
Each Occurrence:	\$ 1 million

2. Commercial Property insurance Such insurance shall:

- a. Cover damage to Lessor's property, including improvements and betterments, from perils covered by the Causes-of-Loss Special Form (ISO form CP 10 30), and include Ordinance or Law coverage.
- b. Be written for the full replacement cost of the property, with a deductible of no greater than 5% of the property value. Insurance proceeds shall be payable to the Lessor and be utilized for repair and restoration of the Premises. Failure by Lessor to use such insurance proceeds to timely repair and restore the Premises shall constitute a material breach of this Lease pursuant to Paragraph 12B, Default by Lessor.
- c. Include a Waiver of Subrogation in favor of Lessee.

E. General Insurance - Lessee Requirements: During the term of this Lease, Lessee shall maintain a program of insurance coverage as described below. Lessee, at its sole option, shall use commercial insurance and/or self-insurance coverage or any combination thereof to satisfy these requirements. Certificate(s) evidencing coverage will be provided to Lessor after execution of this Lease at Lessor's request.

F. Insurance Coverage Types and Limits - Lessee Requirements:

1. General Liability coverage (equivalent to ISO policy form CG 00 01) with limits of not less than the following:

General Aggregate:	\$ 2 million
Products/Completed Operations Aggregate:	\$ 1 million
Personal and Advertising Injury:	\$ 1 million
Each Occurrence:	\$ 1 million

Lessor shall be an Additional Insured (or its equivalent) with respect only to

liability arising from Lessee's sole negligence in its use of the leased Premises.

**18. TAXES:**

Lessor shall pay promptly all real property taxes, assessments and special assessments which may be levied or assessed against the demised Premises during the term of this lease or any renewal or holdover period thereof. The Lessee shall reimburse Lessor for its proportion share of the real property taxes which is agreed to be 100%.

In the event Lessor fails or refuses to pay any or all of the taxes or assessments when due, Lessee may give Lessor thirty (30) calendar days prior written notice and thereafter pay such taxes and assessments and deduct the payments from the installments of rent

**19. BINDING ON SUCCESSORS:**

Each and all of the terms and agreements herein contained shall be binding upon and shall inure to the benefit of the successors in interest of the Lessor, and wherever the context permits or requires, the successors in interest to the Lessee.

**20. PARKING SPACES:**

Lessor at its sole cost and expense shall provide for the exclusive use by Lessee during the term of this Lease and Agreement or any renewal or holdover period as the case may be, thirty (30) off-street, in-and-out parking spaces located on site. No tandem spaces will be included and all spaces will be "in and out" as long as that design is consistent with County policy.

Lessor shall use his best effort to provide Lessee with thirty (30) spaces at all times. If Lessor provides less than thirty (30) spaces Lessee may at its sole discretion negotiate with Lessor for an equitable reduction in the monthly rent based upon the Fair Market Value of such parking or the loss of such parking if not replaced.

Notwithstanding the above, failure of the Lessor to provide a minimum of thirty (30) spaces at all times shall entitle Lessee to cancel this Lease and Agreement by giving Lessor fifteen (15) days advance written notice of such cancellation.

**21. HAZARDOUS MATERIALS:**

**Definition:**

For purposes of this Agreement, the term "hazardous substances" shall be deemed to include hazardous, toxic or radioactive substances as defined in California Health and Safety Code Section 25316 as amended from time to time, or the same or a related defined term in any successor or companion statutes, and crude oil or byproducts of crude oil other than crude oil which exists on the property as a natural formation, and those chemicals and substances identified pursuant to Health and Safety Code Section 25249.8.

Warranties and Representations Lessor hereby warrants and represents, based upon appropriate and reasonable inspection of the Premises, that during its ownership of the Premises; hazardous substances have not been released on the Premises; that it has no knowledge of any release of hazardous substances on the Premises occurring before its ownership; that it has no knowledge or reason to believe that there are hazardous substances on the Premises; that Lessor shall comply with all federal, state and local laws and regulations concerning the use, release, storage and disposal of hazardous substances; and that Lessor shall require all other tenants, if any, of the subject property to comply with the aforementioned rules and regulation.

Lessee hereby warrants and represents that it shall comply with all federal, state and local laws and regulations concerning the use, release, storage and disposal of hazardous substances on the Premises.

**Notice**

Lessor and Lessee agree to immediately notify each other when either party learns that hazardous substances have been released on the Premises or, if a multi-tenant property, on the subject property.

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**Indemnity**

Lessor agrees to indemnify, defend and save Lessee, its agents, offices and employees from or against all liability, expenses (including defense costs, legal fees, and response costs imposed by law) and claims for damages of any nature whatsoever which arise out of the presence of hazardous substances on the Premises which has not been caused by Lessee.

Lessee agrees to indemnify, defend, and save harmless Lessor from and against all liability, expenses (including defense costs, legal fees and response costs imposed by law) and claims for damages of any nature whatsoever which arise out of the presence of hazardous substances on the Premises caused by Lessee.

The indemnity provided each party by this provision shall survive the termination of this Lease.

**Default**

The presence or release of hazardous substances on the Premises and/or subject property, which is not caused by Lessee and which threatens the health and safety of Lessee's agents, officers, employees or invitees, as determined by Lessee's sole discretion, shall entitle Lessee to immediately terminate this Lease. In the event of such termination, Lessee shall not be obligated for any further rental and Lessor shall refund any unearned rent paid in advance by Lessee calculated at a daily rate based on the regular monthly rental.

**Operating Costs**

Costs incurred by Lessor as a result of the presence or release of hazardous substances on the Premises and/or subject property which is not caused by Lessee are extraordinary costs not considered normal operating expenses and shall not be passed through to Lessee as part of its obligation, if any, to pay operating expenses.

**Asbestos Notification**

Lessor agrees to notify (County/Lessee) at least annually of Lessor's knowledge of the presence of asbestos containing materials within the building of which the demised Premises is part. Such notification shall comply with Health and Safety Code Sections 25915 et seq as amended from time to time or as required by any successor or companion statutes enacted subsequent to this Lease and Agreement.

Indoor Air Pollution Notification Lessor represents and warrants that a) there have been no complaints regarding the indoor air quality anywhere in the building or in the ventilating system; b) he Lessor will deliver to Lessee/County copies of any such complaints received; c) to the best of his Lessor's knowledge there are no indoor air pollution and/or air quality problems in the building; and d) he Lessor will notify Lessee/County if any indoor air quality or environmental problem is discovered or reported in the building, and undertake to correct such problem at his Lessor's sole cost and expense.

**22. GENERAL PROVISIONS:****A. Waiver**

The waiver by Lessor or Lessee of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition on any subsequent breach of the same or any other term, covenant or condition herein contained.

**B. Marginal Headings**

The paragraph titles in this Lease are not a part of this lease thereof and shall have no effect upon the construction or interpretation of any part hereof.

**C. Time**

Time is of the essence of this Lease and each and all of its provisions in which performance is a factor.

**D. Recordation**

This lease shall not be recorded but the parties shall execute and acknowledge before a notary public, the Memorandum of Lease attached to this Lease as Exhibit "E". The Memorandum of Lease shall be recorded with the Los Angeles County Recorder at Lessee's expense.

Lessee shall, within thirty (30) days of the lease termination, upon Lessor's request, execute and deliver to Lessor a quitclaim deed to the Premises, in recordable form, designating

Lessor as Transferee. The quitclaim deed may be executed by the Chief Administrative Officer of the County of Los Angeles or his designee.

**E. Quiet Possession**

Upon Lessee paying the rent hereunder Lessee shall have quiet possession of the demised Premises for the entire term hereof subject to all the provisions in this Lease. If any underlying lease terminates for any reason or any mortgage or deed of trust is foreclosed or a conveyance in lieu of foreclosure is made for any reason, this Lease shall nevertheless remain in full force and effect and Lessee at all times shall be entitled to quiet possession and use of the Premises and shall, notwithstanding any subordination, and upon the request of such successor in interest to Lessor, attorn to and become the Lessee of the successor in interest to Lessor.

**F. Prior Agreements**

This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease and no prior agreements or understanding pertaining to any such matter shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors-in-interest. This Lease shall not be effective or binding on any party until fully executed by both parties hereto.

**G. Force Majeure**

In the event that either party is delayed or hindered from the performance of any act required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure materials not related to the price thereof, failure of power, restrictive governmental laws and regulations, riots, insurrection, war or other reasons of a like nature beyond the control of such party, then performance of such acts shall be excused for the period of the delay, and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

**H. Separability**

Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and such other provisions shall remain in full force and effect.

**I. Cumulative Remedies**

No remedy or election hereunder shall be deemed exclusive but shall wherever possible be cumulative with all other remedies at law or in equity.

**J. Choice of Law**

This Lease shall be governed by the laws of the State of California, exclusive of conflict of law provisions.

**K. Warranties or Guarantees**

In the event that any of the items required to be maintained and repaired by the Lessor under the provisions of Paragraph 9A herein are protected by warranties or guarantees the Lessee shall be entitled to the full benefit of such protection as if it were the original purchaser thereof.

**L. Impairment of Title**

Lessor hereby covenants to notify Lessee in writing within thirty (30) days of each and every occurrence which may impair Lessor's title to the demised Premises. Such occurrences include, but are not limited to, default on a trust deed, transfer of any interest in any trust deed, notification of any lien recordation, notification of any foreclosure, and notification of default in the master lease. Lessor further agrees to notify Lessee, in writing, within ten (10) days of receipt of any written notice regarding redevelopment, zoning, or conditional use permits which affect the property, the subject of this Lease or real property adjacent thereto.

**M. Construction**

Any and all construction pertaining to this Lease and Agreement by Lessor or his designated contractors or subcontractors shall comply with all applicable City, County, State and Federal regulations, codes and ordinances, including but not limited to all provisions of the Labor Code of the State of California. Under the provisions of said Labor Code, the State Department of Industrial Relations will ascertain the prevailing hourly rate in dollars and details pertinent thereto for each craft, classification or type of workman or mechanic needed for the construction of the improvements.

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Particulars of the current Prevailing Wage Scale, as approved by the Board of Supervisors, which are applicable to the work contemplated are filed with the Clerk of the Board of Supervisors and must be posted at the subject site.

**N. Interpretation**

The language of this Lease shall be construed according to its fair meaning and not strictly for or against Lessor or Lessee, pursuant to the laws of the State of California.

**O. Community Business Enterprise**

Lessor is encouraged to use Community Business Enterprises (CBE) in all contracts when possible as sources for supplies, equipment, construction and services. This shall apply during any applicable tenant improvement construction, modular furniture installation and services to be provided during the lease term.

Lessor shall submit evidence of CBE participation by providing completed copies of the Community Business Enterprise Firm Information, form attached hereto as Exhibit "C", at the time of signing this Lease and Agreement and thereafter on an annual basis on or before December 30th of each year of the term of this Agreement.

**P. Lobbyists**

Lessor and each County lobbyist or County lobbying firm as defined in Los Angeles County Code Section 2.160.010, retained by Lessor, shall fully comply with the County Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of Lessor or any County lobbyist or County lobbying firm retained by Lessor to fully comply with the County Lobbyist Ordinance shall constitute a material breach of this Agreement upon which County may immediately terminate or suspend this Lease and Agreement.

**23. WARRANTY OF AUTHORITY:**

Each of the undersigned signatories for the Lessor thereby personally covenant, warrant and guarantee that each of them, jointly and severally, have the power and authority to execute this Lease upon the terms and conditions stated herein and each agrees to indemnify and hold harmless the Lessee from all damages, costs, and expenses, which result from a breach of this material representation.

**24. ESTOPPEL CERTIFICATE:**

Either party shall at any time upon not less than thirty(30) days' prior written notice from the other party execute, acknowledge and deliver to the requesting party a statement in writing (1) certifying that this Agreement is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Agreement, as so modified, is in full force and effect) and the date to which the rent and other charges are paid in advance, if any, and (2) acknowledging that there are not to the declarant's knowledge, any uncured defaults on the part of either party hereunder, or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the building complex or any other interested party. Failure to deliver such statement within such time shall be conclusive evidence (a) that this Agreement is in full force and effect without modification except as may be represented by the requesting party in the written request for the certificate, (b) that there are no uncured defaults in either party's performance, and (c) that not more than one month's rent has been paid in advance

**25. ASSIGNMENT BY LESSOR:**

Lessor may assign, transfer, mortgage, hypothecate or encumber Lessor's right, title and interest in and to this Agreement or any portion thereof (including the right to receive rental payments but excluding its duties and obligations hereunder), and Lessor may execute any and all instruments providing for the payment of rent directly to an assignee or transferee, but only if the conditions set forth in subparagraphs B and D below are met.

Any document or agreement purporting to assign, transfer, mortgage, hypothecate or encumber Lessor's right, title and interest in and to this Agreement or any portion thereof, is hereinafter referred to as a "Security Agreement." Any Security Agreement which is executed without full compliance with the requirements of this Section 25 shall be void.

Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of the California Government Code, which prohibits the offer or sale of any security constituting a fractional interest in this Agreement or any portion thereof, without the

prior written consent of the County.

Violation by Lessor of the provisions of Section 5951 of the California Government Code will constitute a material breach of this Agreement, upon which the County may impose damages in an amount equal to the greater of (a) \$500,000 or (b) 10% of the aggregate principal portion of all rental payments payable by the County during the entire term of this agreement, it being expressly agreed that the aforesaid amount shall be imposed as liquidated damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the amount of damages sustained by reason of any such violation, because from the circumstances and nature of the violation it would be impracticable and extremely difficult to fix actual damages. In addition, the County may exercise or pursue any other right or remedy it may have under this Agreement or applicable law.

Lessor shall give County notice and a copy of each Security Agreement and any other instrument relating thereto (including, but not limited to, instruments providing for the payment of rent directly to an assignee or transferee) at least two weeks prior to the effective date thereof.

Lessor shall not furnish any information concerning County or the subject matter of this Agreement (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of the County Counsel) to any person or entity, except with County's prior written consent. Lessor shall indemnify, defend and hold County and its officers, agents and employees harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Lessor in violation of this subparagraph E.

The provisions of this Paragraph 25 shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Section 25 Lessor is referred to, such reference shall be deemed to include Lessor's successors or assigns, and all covenants and agreements by or on behalf of Lessor herein shall bind and apply to Lessor's successors and assigns whether so expressed or not.

**26. CONSIDERATION OF GAIN PROGRAM PARTICIPANTS:**

Should Lessor require additional or replacement personnel after the effective date of this Agreement, Lessor shall give consideration for any such employment, openings to participants in the County's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program who meet Lessor's minimum qualifications for the open position. The County will refer GAIN participants by job category to the Lessor.

**27. RENTAL ADJUSTMENTS:**

**A. Adjustment Period**

For each successive twelve (12) months of the original term of this Lease, and in the event Lessee exercises its option pursuant to Paragraph 2(b) for each successive twelve (12) month period thereafter, the monthly Base Rental as set forth in Paragraph 3 shall be subject to adjustment. At the first anniversary date of the first day of the first full calendar month following the commencement of the terms of this Lease and every twelve months thereafter, the rent shall be adjusted in accordance with the CPI formula set forth in Paragraph 19B. The "Base Index" shall be the Index published for the month the Lease commences.

**B. Adjustment Formula**

The method for computing the annual rental adjustment shall be by reference to the Consumer Price Index for all Urban Consumers for the Los Angeles-Anaheim-Riverside area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84 = 100), herein referred to as "Index".

The rental adjustment for the Base Rent shall be calculated by multiplying the Lessor's base rent by a fraction, the numerator being the New Index published in the month immediately preceding the month the adjustment is effective, and the denominator being the Base Index which is the Index published for the month the Lease commences then add or subtract to the total result the amount needed to amortize Lessee's additional tenant improvements plus change order costs, if any. The formula shall be as follows:

	New Index	X	\$16,341.80	= New Monthly Rent
	Base Index			

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If the Index is changed so that the base year of the Index differs from that used as of the commencement date of the Lease, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term of this Lease, such other governmental Index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised. In the event the parties are unable to agree upon a substitute index (if the original index is discontinued without a replacement) then upon demand by either party, the matter shall be submitted to arbitration in accordance with the provisions of Code of Civil Procedure Section 1280 et seq as they now exist or may later be amended for the purpose of determining an alternate method of computing the rent adjustment based upon the increase in the cost of living.

**C. General Provisions:**

In no event shall the monthly rent adjustment based upon the CPI formula set forth in this Paragraph 19 result in an annual increase greater than three percent (3%) per year of the monthly base year rent of \$16,341.80 (i.e., \$490.25 per month annually).

In no event shall the monthly rent be adjusted by the CPI formula to result in a lower monthly rent than was payable during the previous year of the Lease.

**28. SOLICITATION OF CONSIDERATION:**

It is improper for any County Officer, employee or agent to solicit consideration, in any form, from a Lessor with the implication, suggestion or statement that the Lessor's provision of the consideration may secure more favorable treatment for the Lessor in the award of the lease or that the Lessor's failure to provide such consideration may negatively affect the County's consideration of the Lessor's submission. A Lessor shall not offer or give, either; directly or through an intermediary, consideration, in any form, to a County officer, employee or agent for the purpose of securing favorable treatment with respect to the award of the lease.

A Lessor shall immediately report any attempt by a County office, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861. Failure to report such solicitation may result in the Lessor's submission being eliminated from consideration.

**29. LIMITATION OF AUTHORITY:**

Only the Board of Supervisors has the authority, by formally approving and/or executing this Lease, to bind the County to the terms included herein. Lessor understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal Board action.

No County officer, employee, agent, or independent contractor has any authority to alter, add or delete the material terms of this Lease; and Lessor may not rely upon any representations to the contrary.

This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for tenant improvements or other project costs of Lessor which are subject to reimbursement by County. **County shall not reimburse Lessor for any expenses which exceed this ceiling.**

**30. IRREVOCABLE OFFER:**

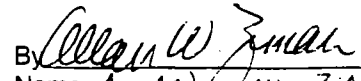
In consideration for the time and expense that County will invest including but not limited to preliminary space planning, legal review, and preparation and noticing for presentation to the County Real Estate Management Commission in reliance on Lessor's covenant to lease to County under the terms of this lease offer, the Lessor irrevocably promises to keep this offer open until July 1, 2005.

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IN WITNESS WHEREOF, the Lessor has executed this Lease or caused it to be duly executed, and the County of Los Angeles by order of its Board of Supervisors, has caused this Lease to be executed on its behalf by the Chair of said Board and attested by the Clerk thereof the day, month, and year first above written.

LESSOR

Z-7 PROPERTIES, LTD

By   
Name: Aaron W. Ziman  
Title: General Partner

ATTEST:

VIOLET VARONA-LUKENS  
Executive Officer-Clerk  
of the Board of Supervisors

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Deputy


By \_\_\_\_\_  
Chair, Board of Supervisors

APPROVED AS TO FORM:

OFFICE OF THE COUNTY COUNSEL

By   
Principal Deputy: Francis E. Scott

(mhcsggardena14112.lease)  
(6/29/04)



**EXHIBIT "A"**

**LEGAL DESCRIPTION**

**14112 SOUTH KINGSLEY DRIVE  
GARDENA, CALIFORNIA**

Legally described as Parcel 2, in the City of Gardena, County of Los Angeles, State of California, as shown on Parcel Map No. 458 filed in book 23, page 8 of parcel maps.

*(all 3)*

## EXHIBIT "B"

### CLEANING AND MAINTENANCE SCHEDULE

This list reflects the various cleaning and maintenance requirements for the leased office space. Responsibility for this cleaning and maintenance service belongs to the Lessor.

#### Daily (Monday through Friday)

1. Carpets vacuumed.
2. Composition floors dust-mopped.
3. Waste baskets, other trash receptacles emptied.
4. Chairs and waste baskets returned to proper position.
5. Fingerprints removed from glass doors and partitions.
6. Drinking fountains cleaned, sanitized and polished.
7. Lavatories, toilets and toilet rooms cleaned and mopped. Toilet supplies replenished.
8. Bulb and tube replacements, as required.
9. Graffiti expunged as needed within two (2) working days after notice by Lessee.
10. Floors washed as needed.
11. Kitchen/Lunchroom supplies replenished including paper supplies and soap.

#### Weekly

1. Low-reach areas, chair rungs, baseboards and insides of door-jambs dusted.
2. Window sills, ledges and wood paneling and molding dusted.

#### Monthly

1. Floors washed and waxed in uncarpeted office area.
2. High-reach areas, door frames and tops of partitions dusted.
3. Picture moldings and frames dusted.
4. Wall vents and ceiling vents vacuumed.

#### Quarterly

1. Draperies or mini blinds cleaned as required, but not less frequently than Quarterly.

#### Semi-Annually

1. Windows washed as required inside and outside but not less frequently than twice annually.

#### As Needed

Carpets cleaned once per year. The sidewalks, driveways, parking areas and all means of access and egress for the demised Premises should be maintained in good repair, clean and safe condition at all times.

All lawns, shrubbery and foliage on the grounds of the demised Premises should be maintained in good condition and neat in appearance. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition.

*EW3*



**EXHIBIT C - COMMUNITY BUSINESS ENTERPRISE FORM**

**INSTRUCTIONS:** All Lessors shall submit this form on an annual basis on or before December 30th of each year of the term of this agreement as evidence of CBE participation. The information requested below is for statistical purposes only. On final analysis and consideration, leases will be selected without regard to gender, race, creed, or color. Categories listed below are based on those described in 49 CFR Section 23.5.

Firm Name \_\_\_\_\_

Address \_\_\_\_\_

Contact Name \_\_\_\_\_

Telephone No. \_\_\_\_\_

Total # of Employees \_\_\_\_\_

Business Structure\* \_\_\_\_\_

\*Corporation, Partnership, etc. \_\_\_\_\_

**A. MINORITY/WOMEN PARTICIPATION IN FIRM**

	OWNERS PARTNER	ASSOCIATE PARTNERS	MANAGER	STAFF	TOTAL
Black/African American	_____	_____	_____	_____	_____
Hispanic/Latin	_____	_____	_____	_____	_____
Asian American	_____	_____	_____	_____	_____
Portuguese American	_____	_____	_____	_____	_____
A. Indian/Alaskan	_____	_____	_____	_____	_____
All Others	_____	_____	_____	_____	_____
<b>TOTAL</b>	_____	_____	_____	_____	_____

Women\* \_\_\_\_\_

\*Should be included in counts above and reported separately)**B. PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM**

	TOTAL # OF OWNERS	% OF OWNERSHIP
Black/African American	_____	_____
Hispanic/Latin American	_____	_____
Asian American	_____	_____
Portuguese American	_____	_____
American Indian/Alaskan Native	_____	_____
All Others	_____	_____
<b>TOTAL</b>	_____	_____

Women\* \_\_\_\_\_

\*Should be included in counts above and reported separately**C. CURRENT CERTIFICATION AS MINORITY/WOMEN-OWNED FIRM**

Is your firm currently certified as a minority owned business firm by the:

Yes \_\_\_\_\_

No \_\_\_\_\_

State of California? \_\_\_\_\_

City of Los Angeles? \_\_\_\_\_

Federal Government? \_\_\_\_\_

**D. WE DO NOT WISH TO PROVIDE IN THIS FORM.**

Initial \_\_\_\_\_

Initial here if applicable \_\_\_\_\_

SIGNED: William W. JamalTITLE: General PartnerDATE 3/29/05WJ3

**EXHIBIT "D"**

**MEMORANDUM OF COMMENCEMENT DATE**

This Agreement is dated this \_\_\_\_\_ day of \_\_\_\_\_, 2005, for reference purposes only, by and between Lessor, Z-7 PROPERTIES, LTD and Lessee, COUNTY OF LOS ANGELES.

1. The parties hereto have entered into a Lease dated as of \_\_\_\_\_ (the "Lease") for the leasing by Lessor to Lessee of the building located at \_\_\_\_\_ ("the Premises").

2. Lessor and Lessee hereby confirm the following:

(a) That all construction by Lessor, if any, required to be done pursuant to the terms of the Lease has been completed in all respects subject to any remaining punchlist items;

(b) That Lessee has accepted possession of the Premises and now occupies the same; and

(c) That the term of the Lease commenced \_\_\_\_\_.

IN WITNESS WHEREOF, Lessor and Lessee have respectfully signed this Agreement.

Lessor:

Z-7 PROPERTIES, LTD

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Lessee:

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Chuck W. West, CCIM, Esq.  
Director of Real Estate

*aw3*

**EXHIBIT "E"**

**MEMORANDUM OF LEASE**

RECORDING REQUESTED:  
THE COUNTY OF LOS ANGELES

WHEN RECORDED MAIL TO:  
Chief Administrative Office  
Leasing and Space Management  
222 South Hill Street, 4<sup>th</sup> floor  
Los Angeles, CA 90012

This document is recorded for the benefit of the County of Los Angeles and recording is exempt from recording fees pursuant to California Government Code section 27383. This transaction is exempt from documentary transfer tax pursuant to California Revenue and Taxation Code section 11922.

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**MEMORANDUM OF LEASE**

This Memorandum of Lease ("Memorandum") is made and entered into by and between Z-7 PROPERTIES, LTD., a California limited partnership, (the "Lessor"), and the COUNTY OF LOS ANGELES, a public body corporate and politic duly organized and existing under the laws of the State of California (the "Lessee") who agree as follows:

Lessor and Lessee have entered into that certain Lease and Agreement dated as of \_\_\_\_\_, (the "Lease"). Pursuant to the Lease, the Lessor has leased to the Lessee real property located at 14112 South Kingsley Drive, Gardena, in the County of Los Angeles, State of California, commencing on \_\_\_\_\_, and ending on \_\_\_\_\_, unless such term is extended or sooner terminated pursuant to the terms and conditions set forth in the Lease. Lessor shall be responsible for providing full services during the term of the Lease, subject to the terms and conditions of the Lease.

This Memorandum has been prepared for the purpose of giving notice of the Lease and of its terms, covenants, and conditions, and for no other purposes. The provisions of this Memorandum shall not in any way change or affect the provisions of the Lease, the terms of which remain in full force and effect.

LESSOR:

Z-7 PROPERTIES, LTD.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Dated: \_\_\_\_\_, 2005

LESSEE:

COUNTY OF LOS ANGELES

\_\_\_\_\_  
Chuck W. West  
Director of Real Estate

Dated: \_\_\_\_\_, 2005

*mw3*